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CHANGES TO CROP AND FORAGE INSURANCE PROGRAMS

As Alberta's farmers plan for the new crop year, they should bear in mind important changes made to the province's crop and forage insurance programs for 1988.

These changes have been implemented in response to a comprehensive review conducted in 1986 by a panel of farmers and MLAs, and led by former agriculture minister Dallas Schmidt. The panel held hearings throughout the province at which producers and farm organizations presented their views on how the program could be strengthened to better meet the needs of Alberta farmers.

Following this review, the panel made a number of important recommendations for improvements to the all-risk crop insurance program. The government implemented several amendments immediately, including a move to apply coverage adjustments to different crops on an individual basis, effective beginning 1987-88.

For 1988-89, the government has approved additional changes to the program. Most of the amendments being made this year are geared toward meeting the review panel's recommendation that crop insurance policyholders be encouraged to shift to the Individual Coverage program.

Under the Individual Coverage plan, a producer's coverage is based strictly on what he produces, rather than on the record of crops grown in the risk area or district in which his farm is located. The suggestion that individual coverage should apply to all policyholders was made repeatedly by farmers and farm organizations appearing before the review panel.

To encourage the move to individual coverage, the deadline for application has been extended to April 30, 1988. In addition, quality will no longer be taken into account in determining crop yields for individual coverage. And commencing with the 1988 season, those remaining on the area average plan will no longer earn an increase in coverage with each loss-free year. Coverage adjustments earned to date will be retained but not increased; on the other hand, with claims, these coverage bonuses will be reduced.

Other changes to the crop insurance program have been made for 1988, including the addition of safflower to the list of insurable crops, and the adjustment of premiums, coverage levels and the price options offered for insurable crops.

In addition to the amendments made to all-risk crop insurance guidelines, several important changes have been made to the province's forage insurance program for 1988.

The Canada-Alberta Forage Insurance Program, offered in previous years as the Canada-Alberta Livestock Feed Security Program, protects farmers and ranchers against loss of hay and forage crops caused by drought. This protection may be purchased on the basis either of hay acreage or of animal units.

The forage insurance program was introduced in 1979, in response to problems experienced in southern and south central Alberta when drought conditions caused severe shortages of livestock feed. At that time, program coverage was limited to producers in those areas only.

Commencing in 1988, the Forage Insurance Program has been extended to all areas of the province. Hay and livestock producers throughout Alberta can now apply for coverage.

Policies will automatically be continued in 1988 for livestock and hay producers who were insured last year through the Livestock Feed Security Program. Those producers will now become Canada-Alberta Forage Insurance policyholders.

The deadline for changes under the Forage Insurance Program is March 31, 1988. Producers must visit their local district offices of the Alberta Hail and Crop Insurance Corporation on or before March 31 if they wish to make new applications for insurance, to confirm acreage or number of animal units for continued coverage, or to cancel policies.

March 31 is also the deadline for cancellation of All-Risk Crop Insurance. The last day to apply for All-Risk Crop Insurance, and for the Individual Coverage option, is April 30, 1988. June 20, 1988 is the final day to report seeded crop acreage to Alberta Hail and Crop Insurance Corporation. Acreage seeded after that date is not insurable.

Canada-Alberta Crop Insurance enables farmers to protect against serious loss when crops are damaged by drought, hail, frost, snow, grasshoppers and other hazards. Crop insurance has protected the livelihoods of countless Alberta farmers whose crops have been destroyed by bad weather. In the past five years alone, crop insurance payments in Alberta for such losses have totalled over $700 million.

The cost to producers of this insurance has been kept low through government participation. The federal government pays half the cost of producer premiums, while the Province of Alberta pays all administrative costs and a portion of the premiums. As a result of this support, farmer-policyholders pay less than 50% of the costs involved in insuring their crops.

Recognizing the value of the program, nearly 25,000 grain producers now carry crop insurance and insure two-thirds of all grain and oilseed crops grown in the province. Another 5,000 producers carry insurance on forage and specialty crops.

I strongly urge all Alberta farmers to look closely at their crop insurance options. Crop insurance is, without question, a wise investment. With the adjustments we have made to the program in response to producers' concerns, Alberta All-Risk Crop Insurance and Forage Insurance have become more effective programs, and are an even better bet for Alberta farmers.